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NORTH KOREAN INDUSTRIAL EXPANSION, 1949 - 1950

The North Korean yearbook for 1950, which was published 4 months before the 25 June invasion of South Korea, reviews the industrial expansion plan for 1949 and 1950 under the Two-Year People's Economic Program.

The objectives of the program, outlined by the Supreme People's Assembly of the Democratic People's Republic of Korea, are aimed primarily at the expansion of existing industrial productive capacity and the restoration of damaged industrial facilities to meet the increased needs of the country.

Production quotas have been determined for 1949 and 1950 for all major industries, and government investment figures for these industries are given.

The Supreme People's Assembly of the Democratic People's Republic of Korea has announced the basic objectives for industry, agriculture, transportation, communications, commerce, education, culture, etc., under the Two-Year People's Economic Program for 1949 and 1950. Some of the objectives set forth for the industrial field are as follows:

1. Expand existing industrial capacity; restore damaged industrial facilities to the fullest extent possible; construct as many new industrial facilities as possible, so that production in 1950 will double that of 1948 and will surpass the 1944 level.
2. Fulfill the increased demand for metals; expand the metallurgical industry; pay special attention to the improvement of both the quality and quantity of rolled steel; and construct small and medium rolling mills.

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3. Expand rapidly the machine and shipbuilding industries, both of which have been unable to meet the needs of the people's economy; in the manufacture of machine tools, machine parts, and small and medium vessels, build a foundation for technological independence, which must be achieved in the near future; and pay particular attention to the expansion of the machine-tool industry.

4. Increase fertilizer production, since fertilizer is closely related to an increase in food production. A sufficient quantity of chemical fertilizer should be produced to supply the demand not only of North Korea but also of South Korea, whose agriculture must be restored as soon as the unification of the nation is completed.

The total production in state-operated industries has been fixed, in terms of won value, at 19,223,470,000 won for 1949 and 26,053,490,000 won for 1950. Production for 1949 will amount to 143.2 percent of that of 1948, while production for 1950 has been set at 194.1 percent of that of 1948, or 33.2 percent above the 1944 level.

Production quotas for the state-operated industries for 1949 and 1950 have been fixed for each major industry as follows:

	<u>1949</u>	<u>1950</u>
<u>Electric Industry</u>		
Electric power (kw-h)	6,500,000,000	6,800,000,000
6,000-kw alternating generators (units)	2	--
Electric motors (units)	975	2,547
Transformers (units)	1,380	4,150
Various types of electric wire (tons)	695	1,125
<u>Fuel Industry (tons)</u>		
Bituminous coal	1,850,000	2,500,000
Anthracite coal	2,098,000	2,999,000
<u>Mining Industry (tons)</u>		
Iron ore	400,000	820,000
Iron sulfide	288,000	310,000
Tungsten	2,250,000	2,900,000
Graphite	45,250,000	62,300,000
<u>Metal Industry (tons)</u>		
Pig iron	170,000	372,000
Steel ingots	173,000	249,000
Special steel	14,245	15,720
Fabricated steel	50,000	64,000
Steel wire	3,300	4,100
Steel plate	49,600	84,000
Rolled steel	1,450	2,200
Electrolytic copper	2,498	2,915
Electrolytic lead	9,046	12,405
Electrolytic zinc	7,600	19,440
<u>Machine Industry (tons)</u>		
Cast-iron products	9,200	12,900
Cast-steel products	6,740	12,769
Machine-manufactured articles	9,420	15,600
Vessels	10,900	14,650

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	<u>1949</u>	<u>1950</u>
<u>Chemical Industry (tons)</u>		
Chemical fertilizer	372,440	415,600
Caustic soda	13,300	22,000
Carbide	128,000	143,000
Soap	8,760	11,200
Electrodes	13,070	14,060
<u>Construction Industry (tons)</u>		
Cement	500,000	508,000
Firebrick	62,510	84,000
Plate glass	1,000	7,500
<u>Light Industry</u>		
Cotton cloth (km)	11,442	14,480
Rayon cloth (km)	1,210	6,000
Silk cloth (km)	2,538	2,387
Paper (tons)	19,600	23,700

During 1949 and 1950, the government is expected to invest in the basic industries a total of 7,204,020,000 won: 3,495,003 won for 1949 and 3,709,017 won for 1950. For the 1949 investment, 2,425,394,000 won will be appropriated from the state treasury.

Production of electric power for 1949 will be 105.7 percent, and for 1950, 110.6 percent, of that of 1948. Production of electric equipment during 1949 will be 429.7 percent, and for 1950, 792.2 percent, of that of 1948.

Government investments for basic construction in the electric power industry will amount to 574,565,000 won for 1949 and 576,071,000 won for 1950.

The basic task of the electric power industry for 1949 and 1950 is to assure an adequate supply of electric power needed by each industry under the People's Economic Program, so that each industry can operate at full capacity. The plan calls for restoration of the Tongno-gang generating plant; installation of tie-lines between the Hwach'on and the Changjin-gang generating plants; undertaking large-scale repair work at the Sup'ung generating plant; and construction of plants manufacturing wire insulation and electric meters.

In the fuel industry, the total production for 1949 will be 103.3 percent, and for 1950, 135.9 percent, of 1948. The investment for basic construction of the fuel industry in 1949 will be 424,877,000 won, and for 1950, 512,670,000 won. An effort to increase both coal mining and the quality of coal mined will be the most important work of this industry. The total calorific value in 1949 will be 20,800,000,000 calories, and in 1950, 29,213,000,000,000. More than 100 kilometers of coal shafts will be dug during 1949 and 1950.

In the field of mining, the total output for 1949 is expected to be 136.6 percent, and for 1950, 172.8 percent, of that of 1948. However, the mining of iron ore for 1950 has been set at 489 percent, and for iron sulfide, 103.5 percent, of the level attained in 1948.

The government investments for basic construction of the mining industry will be 410,439,000 won for 1949 and 487,385,000 won for 1950. The important work of this industry includes the restoration of the Kaech'on Mine and 19 other mines, and the expansion of the ore-treatment plants of each mine. A drive for the additional excavation of more than 55 kilometers of shafts during 1949 and 80 kilometers during 1950, will take place.

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In the metal industry, the total production of metals in 1949 will be 152.3 percent, and in 1950, 214.6 percent, of that of 1948. The production quotas for the iron and steel industry for 1950 are set as follows (percentages based on 1948): pig iron, 322 percent; steel ingots, 217 percent; steel plates, 278 percent. For nonferrous metals: copper, 164 percent; lead, 184 percent; and zinc, 361 percent.

The projects contemplated for the metal industry during 1949 and 1950 include: the rebuilding of one 350-ton-capacity blast furnace and one 500-ton-capacity blast furnace and the construction of two open-hearth furnaces, three small steel-fabricating plants, one sheet-metal factory, one medium steel-fabricating plant, one rolling-stock plant, and two zinc refineries.

The total investment for this industry's basic construction in 1949 will be 547,485,000 won. The amount fixed for 1950 is 453,570,000 won.

Total production in the machinery industry for 1949 has been set at 199.3 percent of that of 1948. In 1950, production will be raised to 309.9 percent.

Production in 1950 for cast-iron products has been set at 389 percent; for machine-finished articles, 247 percent; and for cast-steel articles, 595 percent, of the level attained in 1948. Plants producing rolling stock gauges, stone crushers, and agricultural tools will be built. The P'yongyang automobile factory will be converted into a machine-tool factory.

The shipbuilding industry will also be expanded. A new 1,000-ton-class slipway will be constructed at the Wonsan shipyards. The building of steel vessels in the 850-ton class will start in 1949.

The investment for basic construction in the machinery industry in 1949 will be 419 million won; for 1950, the sum has been set at 688 million won.

The total production of chemical products in 1949, based on the 1948 figures, will be 136.4 percent. An effort will be made to raise the figure to 176.1 percent in 1950.

Fertilizer production will be increased to 113 percent, carbide 116 percent, and caustic soda 299 percent in 1950 as compared with 1948. A drive to increase the production of nitric acid and other chemical products will be made.

During 1949 and 1950, the Yongan Factory in Aoji will be expanded for the production of methanol and formalin. Sodium carbonate, caustic soda, and calcium cyanamide plants will be built.

The investment for the basic construction in the chemical industry in 1949 will be 580,907,000 won; the sum set for 1950 for this purpose is 517,641,000 won.

In the construction industry, the total production of construction materials in 1949, compared with 1948 production, will be 146.9 percent. Growth up to 196.5 percent is contemplated for 1950. Cement production will be 174 percent and firebrick, 254 percent, in 1950 as compared with 1948.

The goals for 1949 and 1950 in the building material industry are the manufacturing of plate glass by the Namp'o Glass Factory, the making of all kinds of porcelain insulators and enamel hardware by the Chu'ul Ceramic Factory, the rebuilding of two rotary cement kilns, and the construction of a new kiln. Investment for basic construction of the building industry for 1949 will be 124,975,000 won, and for 1950, 79,550,000 won.

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In light industries, the total production for 1949 has been set at 147 percent of 1948; for 1950, it will be 198.3 percent of 1948. The 1950 quota for cotton cloth production is set at 304 percent of 1948. Paper production in 1950 will be 215 percent of the 1948 figure.

For the expansion of light industries, the 2-year plan provides for the additional installation of 30,000 spindles for cotton spinning, and 1,000 units each of cotton looms and silk looms. The investment for basic construction of this industry for 1949 will be 412,755,000 won, and for 1950, 403,130,000 won.

Improvement in labor efficiency and reduction of production costs in the state-operated industries are the principal objectives of the People's Economic Program for 1949 and 1950.

The 2-year plan provides for the following rates of improvement of labor efficiency and reduction of production costs in each industry (each increase is based on the 1948 level):

Increase in Labor Efficiency

<u>Industry</u>	<u>1949</u> (%)	<u>1950</u> (%)
Electricity	20.8	27.8
Fuel	1.0	21.1
Mining	11.5	19.2
Metal	25.2	37.7
Machinery	23.7	35.2
Chemical	20.6	36.5
Construction	6.4	24.2
Light industries	16.6	36.3
Average for all industries	20.2	33.2

Reduction of Production Costs

<u>Industry</u>	<u>1949</u> (%)	<u>1950</u> (%)
Electricity	9.3	17.0
Fuel	8.4	19.0
Mining	8.3	14.0
Metal	5.8	10.9
Machinery	20.5	25.6
Chemical	6.4	11.4
Construction	11.3	13.0
Light industries	13.7	18.7
Average for all industries	9.3	18.3

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